



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Economics, Environmental Analysis and Administration

March 3, 2006

John D. Heffner, Esq.
1920 N Street, NW
Suite 800
Washington, DC 20036

Re: STB Finance Docket 34836, Arizona Eastern Railway – Construction and
Operation Exemption – In Graham County, Arizona

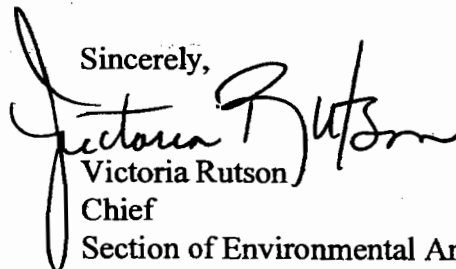
Dear Mr. Heffner:

The Surface Transportation Board's (the Board) Section of Environmental Analysis (SEA) is approving, under 49 CFR 1105.10(d), CirclePoint as the independent third-party consultant for the above referenced proceeding. CirclePoint will assist the Board in preparing the appropriate environmental document in connection with Arizona Eastern Railway's (AZER or applicant) prospective petition to construct and operate a rail line in Graham County, Arizona.

We have attached a disclosure statement that you should forward to CirclePoint to complete and return to us. As we previously discussed, SEA will direct, supervise, review, and approve all environmental documents prepared by the independent third-party consultant in this proceeding. Additionally, we have prepared a Memorandum of Understanding (MOU) which outlines the responsibilities of the applicant, the consultant and SEA. The MOU is being forwarded to you for signature, then must be forwarded to CirclePoint for signature, and returned to SEA. The purpose of the MOU is to establish an understanding between the applicant, the consultant and SEA regarding conditions and procedures each party must follow in preparing all environmental documentation.

If we can be of further assistance, please contact Diana Wood at 202-565-1552.

Sincerely,



Victoria Rutson

Chief

Section of Environmental Analysis

Enclosure

SURFACE TRANSPORTATION BOARD

DISCLOSURE STATEMENT

On behalf of CirclePoint, I certify that CirclePoint has no financial or other interests in the outcome of the prospective petition in STB Finance Docket 34836, Arizona Eastern Railway – Construction and Operation Exemption – In Graham County, Arizona.

Signature: _____

Printed Name: _____

Title: _____

Date: _____